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HOUSE BILL 3147 By  
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SENATE BILL 3095  
By Henry

AN ACT to revise definitions and  
procedures for assessment of  
properties under the Agricultural,  
Forest, and Open Space Land Act of  
1976, and to amend Tennessee Code  
Annotated, Sections 67-5-1003  
through 67-5-1008.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated Section 67-5-1003 is amended by  
substituting the words “No person, or persons holding property jointly, in common, or by  
the entireties” for the words “No person” in paragraph (3).

SECTION 2. Tennessee Code Annotated Section 67-5-1004 is amended by adding  
the words “within the same county” after the words “noncontiguous tracts” in part (B) of  
paragraph (1).

SECTION 3. Tennessee Code Annotated Section 67-5-1004 is further amended by  
adding the following sentence at the end of part (B) of paragraph (1):

Woodlands and wastelands comprising more than twenty percent (20%) of a tract or contiguous tracts of land may not be considered agricultural land for purposes of this part, but may be considered separately for forest or open space classification if other applicable requirements for those classifications are met.

SECTION 4. Tennessee Code Annotated Section 67-5-1008 is amended by adding the words “or is transferred to an exempt owner” at the end of subpart (d)(1)(A).

SECTION 5. Tennessee Code Annotated Section 67-5-1008 is further amended by adding the following new numbered paragraph after paragraph (d)(1) and renumbering existing paragraphs as appropriate:

When the tax rate for the most recent year of rollback taxes is not yet available, the assessor shall calculate the amount of taxes saved for the most recent year by using the last made assessment and rate fixed according to law, and the trustee shall accept tender of the amount determined to be owing.

SECTION 6. Tennessee Code Annotated, Section 67-5-1008, is further amended by deleting the following sentence in subsection (d)(2):

When the assessor becomes aware that property is no longer eligible for classification under this part, the assessor shall give written notice of the rollback assessment to the property owner, the seller of land disqualified following a sale, and the tax collecting officials.

and by substituting instead the following:

When the assessor becomes aware that property is no longer eligible for classification under this part, the assessor shall give written notice to the tax collecting official stating that rollback taxes are payable and identifying the person

the assessor finds to be personally responsible for payment under this part. The collecting official shall thereupon prepare and send a tax notice for the rollback taxes.

SECTION 7. Tennessee Code Annotated, Section 67-5-1008, is further amended by deleting the fifth sentence of subsection (d)(2) and substituting instead the following:

The assessor may void the rollback assessment if it is determined that the assessment was imposed in error, except there shall be no refund of rollback taxes that have been collected at the request of a buyer or seller at the time of sale.

SECTION 8. Tennessee Code Annotated, Section 67-5-1008, is further amended by adding the following sentence at the end of subsection (e)(3):

The provisions of this subsection (e)(3) shall likewise apply to the temporary transfer of property classified under this part to a trustee in bankruptcy.

SECTION 9. This act shall take effect upon becoming law, the public welfare requiring it, and shall be effective for tax year 2002 except as to Sections 1 through 4. Sections 1 through 4 shall take effect on January 1, 2003. There shall be no rollback assessment when property is disqualified solely as a result of Sections 1 through 4 of this act, so long as the property continues to be used in a qualifying use and is not the subject of a sale or transfer which would cause the property to violate the minimum size or maximum acreage provisions of this part. Such disqualified property shall be at risk of a rollback assessment until it has been assessed at market value under part 6 of this chapter for three (3) years, and during such time a rollback assessment shall be made if the property ceases to be used in a qualifying use or is the subject of a sale or transfer which would cause the property to violate the minimum size or maximum acreage provisions of this part.

